RIO SOIL AND CROP IMPROVEMENT ASSOCIATION

[Conferences]

Devoted to Improving Ontario's Crops

LAND USE CONFERENCE [Proceedings]
DECEMBER 12—13
1972

PRESENT AND FUTURE DEMANDS FOR LAND
- AS INFLUENCED BY URBANIZATION

Bruce McLaughlin

ONTARIO SOIL AND CROP IMPROVEMENT ASSOCIATION

Devoted to Improving Ontario's Crops

LAND USE CONFERENCE
DECEMBER 12—13
1972

PRESENT AND FUTURE DEMANDS FOR LAND

- AS INFLUENCED BY URBANIZATION

Bruce McLaughlin

PRESENT AND FUTURE DEMANDS FOR LAND - AS INFLUENCED BY URBANIZATION

By Bruce McLaughlin
S. B. McLaughlin Assocs. Ltd.

I want you to know that I qualify as a farmer at least for assessment purposes. Our group controls about 10,000 acres here in Ontario. I tried to tell John Wilson earlier this morning that I still have one foot in the furrow, but I think being casted in the role as the opening speaker today, I would like to say to you that I am going to try to open your minds to some new ideas. I consider that my fundamental purpose of being here.

First of all I would like to discuss the problem, the problem of this Conference, and why we are here today. Many years ago, I said to myself that choice land is a constantly diminishing resource, and as I became more astute in business, I realized that an investment in something in which you had a priority right was the best kind of investment. And then an old hand at the game said that the first three principles of real estate are location, location and location. I now use that expression quite often. It is a bit hackneyed, but it is such a truism that I think we should all be aware of it.

When you consider that approximately one percent of the land mass which in Canada is urban, and that the day when we have 100,000,000 Canadians, it would still only be about five percent that is urbanized, it gives you some idea of the importance of location. It is very difficult to cause something to

happen in the wrong location relative to at least economic matters, and probably as well, to climate and soil conditions.

You may know that there are approximately 130,000,000 arable acres in Canada of a satisfactory nature. I think the total is more like 175,000,000, but some of it is marginal lands and probably should not be used for agricultural purposes at this time. Because 130,000,000 acres will support at a standard of one acre per person, a 130,000,000 population, I am going to talk about demography and some of the pressures to which I think Canada is going to be exposed.

Bringing us closer to home, and a lot of us are concerned with the urban crisis, or whatever we may call it, from time to time here in the Toronto Centred Region, I think it is important to note that in the Toronto and the Metropolitan Toronto Planning area, that about five thousand acres are utilized per annum. In Metropolitan Toronto which is a smaller area than the Metropolitan Toronto Planning Area, there are about 155,000 acres with less than 20,000 of these acres vacant and available for use. This is the problem here in this crucial area and I have tried to give some indication of the scale of the raw material with which we are working.

Now I would like to open your minds up to a rather different scale and to do so I would like to talk about demography. This is a study of population and of course we can easily count what we have today. We have 3½ billion people on earth. The United Nations demographers predict that there will be 6.7 billion by the turn of the century. There have been trend lines and

forecasts that have indicated that we could have 35 billion by the year 2150. Now I know we will not likely be here, but many of us are of the age where we are beginning to be concerned about our children and some of us, not myself included, about our grandchildren. And so I think when we are talking about planning, we have to think on this scale.

We must realize and I am endeavouring to say that the world some day will have 35 billion people, but I do not believe that. I think that society is in a revolution if you will or at least a transition. A transition when we will move from the exponential growth period of the present day, to the stablized population of the future. We all know that the United States is moving towards this point now. But bear in mind that zero population does not mean that the world's population or any nation's population will not increase. If we had immediate world wide zero population growth, we would still end up with in excess of 5.5 billion people on earth. Now rather than take a lot of time on this subject of demography and it is a very large subject I would merely like to deposit as a resumè for us to consider that some day the world's population will be 10 billion and that we should have the sense to stablize at that point.

Now moving on to a consideration of our resources, including our water. Canada has about 20 percent of the world's available surface fresh water runoff. Another 20 percent flows down the Amazon Basin relatively unused for human habitation purposes. The other 60 percent is spread throughout the world. You see how we are blessed here in Canada, but when you think of the time beyond the turn of the century, when the world's

population will move up toward the 10 billion you can see how precious this resource is going to be. I do know they are talking about recycling and so on, but you know economic determinism is a principle that has been with us for some time, and I think myself that God's given fresh water is going to become of acute and serious importance to us.

When we consider other resources we can best understand the need to husband our resources by considering the American case. I have taken some material from our research work and I would like to read this to you. By 1984, that is not the turn of the century, but by 1984, 12 years down the road, United States will have exhausted its supplies of crude oil, natural gas, uranium, magnesium, chromium, nickel, tungsten, lead, zinc, tin, aluminium, gold, silver, platinum, and will nearly have exhausted its supplies of coals and copper. Furthermore, at the present time the U.S. is an importer of enormous amounts of lumber and newsprint. In certain areas of the United States they have already exhausted available surface fresh water supplies and are of necessity beginning to recycle water for potable use. The message is clear; the United States has exhausted several major resources and is now dependant upon the supplies of other nations.

When we are talking about land I tend to think in terms of the whole concept of planning our resources. You will see as I get into my subject why I take this position.

When you consider the use of land you have to consider climatic and soil conditions. I think it is important that we Canadians recognize that notwithstanding concepts to the contrary the land that is desirable for human habitation is a rather narrow band across the southern parts of this country from coast

to coast. You get into the muskeg and you get into unpleasant temperatures and you get away from major water resources. It is very important that we understand the nature of our country. This is a country that is blessed with a great many resources and I think a temperature that is good for the kind of people that we are going to need to face the challenges of the future.

You know, 90% of the people in the world live north of the equator. And also most of the commerce and industry takes place in those nations that are north of the equator. I think it has something to do with the particular configuration of our land masses and the temperature. We have a stimulating temperature but it is a temperature that we can enjoy. Once we go half way up Canada that changes and it is more the pioneer spirit that is required.

I would like to move on to a question of economics. I am just trying to put ideas before you so that as you go through this Conference, you will think of what I would choose to call the proper scale of this problem. We talked about these land masses north of the equator being most of the producing areas. There is the United States, Russia, China, and there is Canada that have these huge land masses and of course the European States coming together are going to be a cohesive unit. They are all beginning to have trade arrangements and poor Canada is wondering what to do. I suggest that what we should be doing here in Canada is planning to be 100,000,000 Canadians because if not we will not control our markets; we will not have the economics of scale; and we will have a relatively uninhabited land that other people will covet.

I have often used this little story. If I were Chairman Mao with 750,000,000 people, I would not be building hydrogen bombs and atomic bombs, I would be building jumbo jets and when I had 25,000 of them, I would take Canada and I would say we have a right to take it because you have all of this unused land. We have people starving in China. As I took off and came on our radar screens the President of the United States would be alerted and the Prime Minister of Canada would be alerted. The Chinese Chairman would say, "These people that we are sending to you are starving, and we want you as a Christian nation to receive them." And they would land in our prairies and move towards our grain bins. I want you to think of this and what would you do if you were the Prime Minister or the President.

I say we have an uninhabited land and as the population pressures of the future develop, it is going to be coveted not only by people we now consider to be of strange economic philosophy but by Americans. I suggest that we have an obligation to try to teach the Americans to limit the population and to limit their consumption of the resources. An obligation not only to teach them but to apply laws that are successful at doing so.

I suggest that all our land; agricultural land; recreational land; our urban lands, our mineral areas, must be protected for the day when this country will have 100,000,000 Canadians. We must have a national plan whereby we build up to our optimum population and stablize there. If we continue to hurdle down the road that we are going, following the lead of other successful nations such as United States, we are not going to have the kind of nation that you want to live in, or I want to live in, or our

children want to live in. So you see how important is the use of our land and our planning.

The next thing we should consider is our method of control; our current methods of control and our potential methods of control. I believe that every nation must so plan itself to achieve its optimum population in keeping with demographic, social, political, and economic reality. This means that we need a world master plan and the pieces of this jigsaw must be put together nation by nation. Within the nation we must of course have our Provincial plans in the case of this country. Then we must have our Regional plans. These are master plans or guideline plans. Then we must have local implementation plans. Anything short of this is negligence.

We are going to have to preserve 5% of our lands for urban use. We are going to have to reserve 100,000,000 or perhaps 130,000,000 arable acres. We are going to have to perpetuate our forest reserves. We are going to have to guard our minerals, we are going to have to control and regulate our aggregate materials and this will take national plans, provincial plans, regional plans and local plans and we need them yesterday.

I would like to make a few comments about planning in general. Back in the early fifties we began to plan. We had our five year plans in industry, the highways had their plans and the TTC had their plans and yes, we began to have the occasional market analysis for regional shopping centres. They were done on two or three sheets of paper and were very primitive indeed. That

was not so long ago. Today we are beginning to plan for the year 2000. We had the Gordon Report which took us to 1980 and then we got really wise and are now planning for the year 2000. But the planning for the year 2000 is so grossly inadequate it is almost ludicrous.

I am talking in the terms of the number of people that we, as a society, are planning on moving into these areas that are under growth pressure now, and are going to at some particular point of time, be under enormous pressure based upon the factors I talked about earlier. So I would like to suggest that what we need is total planning. We have to start at the top and assume as our first premise that there are going to be 10,000,000,000 people and then we have to determine where we are going to fit them into this world. Of course, there will be political pressures to cause them to be unequally distributed, but eventually we are going to have to reach a conclusion of where they are going to go and then we need a total plan. The total plan for Canada is a plan of 100,000,000 Canadians. I feel this so firmly that notwithstanding that the forecast is that there is going to be 38,000,000 Canadians by the turn of the century, I feel that I am entirely on sound footing when I say that is an inadequate forecast. Even if it were correct, we have to have a total plan for the indefinite date when we will have 100,000,000 Canadians.

Another concept I would like to expose to you is the one of ideal planning. Now what is ideal planning? Ideal planning is where you empty this country, you assume that there is no development in this country whatsoever, and your task is to place 100,000,000 Canadians in this country in the most pleasant,

efficient manner. Give us a life style that we feel that we can obtain and make it work efficiently and competitively with other societies. We have talked about the planning we are doing now as interim planning. The planning we should be doing is total planning and the tool that we should be using is ideal planning.

There is another kind of planning and we call it planning in perpetuity. This is a more difficult concept because this means planning for ever and ever without ceasing and that is precisely what we mean. We arrive at our total plan and then we recognize that the infrastructure that we built into this total plan must be flexible and expansible, and adaptable to changing technology. This is essential because of a problem of non-productive capital burden. We cannot build the parking garages in our shopping centres that we are going to need in fifteen years, so we build huge parking lots and they are certainly not the ideal way to develop a facility. We should be catering to people. With planning in perpetuity, we can so design it that we have the flexibility to change as we move to these mature or optimum circumstances.

I would like to quickly run through some important planning concepts. Some of them perhaps sound mundane, but there is no harm in repeating them because of their importance. We are the victim of urban sprawl and it is important that we understand urban sprawl. We are a private enterprise, free money market economic system. That is the only system that we can possibly try to work. I say it is modified by various forms of collectivism but we cannot forget that basically, we depend upon

the operation of the market place. When a man sees a demand for a service or a building, shopping centre, factory or a house or apartment, he then looks for a site and he gets that site anywhere on the periphery of a generator of any great city such as Toronto. He buys that site and seeks to develop it. Not only private individuals but Government agencies work the same way, and this is why we have urban sprawl. Everyone is thinking of satisfying the demand in the field in which they operate.

For example, if you are running a Department of Highways and you need another building and your present site is utilized, you look for a site close to easy access to highways or easy access to the central offices. You plug it in. So urban sprawl is a plugging in process which is litterly destroying the United States and has certainly been crippling us. Because we are younger and less developed, we have a better chance to correct this process.

Then we have a kind of sprawl called technological sprawl. This is where we spread our highway right across our country wherever it is the most expedient to do so. I don't mean to be protesting and I don't mean to be critical of existing agencies. I am merely trying to open our minds a little. But when you have hydro lines going right across the middle of a beautiful recreational area, and when you have highways going right through the middle of charming residential areas, this is what I mean by technological sprawl. We just lace this province and everywhere you look you hear noise, and you see ugly sights. We proliforate our hardware all over the horizon. This is changing, but we must understand that this is technological sprawl.

In the past I have talked about a rather ideal concept of ecological zoning. Ecological zoning is where you take the nuisances and isolate them from the places of human inhabitation. If you say that the smelter is harmful to human habitation then you do something about it. You either move the smelter, or move the human habitation, or you never allow this situation to exist. If you say that the coal burning electrical generating plant and refineries are unacceptable to our areas of human habitation, then you do something about it.

Under ecological zoning you would set up zone 1 which is restricted for those uses which are acceptable to our criteria or our standard for human habitation. Zone 2 could be for agricultural, Zone 3 for recreational, and Zone 4 for other uses. You limit and control and regulate them. Of course you do not move to that overnight, because we have a huge investment in planning, but let me give you an example. If we succeed in creating a corridor system in Southern Ontario and eventually Canada, it would be possible to designate that corridor now, and plan the obsolescence of those railway lines which go along our lake front and move them eventually into this corridor whether this is a half mile or a mile wide corridor. We could say that we could draw that line and expropriate it. Because we are not going to take title for eighteen or twenty years, we would be able to reason that we should be able to acquire it at a much lower price. We could then have no property taxes during the

period which would lower the price again. Therefore the dollar commitment could be readily financed to run this corridor of an adequate type right across this province. We could then go to the railways and say that in 20 years time you are moving into our new expressway, our random access corridor and they could plan for the day. We could take this time to harness our technological know-how to create the ideal system of the future and in doing so, we would create an area where we could move a great many of our acceptable uses.

When we really have efficient ground transportation, we could develop industrial cities; industrial cities where there would only be industry and from the centre of the pure industrial city there would be a ground transit system which would take you to the centre of one of our new types of human habitation areas. This vehicle could move at 100, 200, 300 miles an hour. With a four day week or three day week, it would be entirely practical to create different kinds of cities; so different that really we have not begun to visualize them yet.

This is where ecological zoning can begin and I have tried to indicate where it could end. Transportation is one of the most important aspects of our land use and our planning. I am not going to spend a great deal of time on it, but I want to emphasize the importance of these transportation, communication, or technological corridors is high. I have used the expression in the past that it is just as important as the original building of the trans Canada railway system. I cannot resist talking about the Linear Induction Motors and new technology in trans-

portation. I am not a technical man but I suppose a generalist, an innovator, motivator, a businessman but it seems to me that we could visualize a ground transit system which would be a ribbon of frictionless metal with ramps leading up to it. Vehicles with rubber wheels could travel our normal streets and then move on to these ramps and drop their frictionless metal runners. Part of the motor would be on the bottom of the vehicle. You would lock in by computer to the centre that you have designated. You could have vehicles with small capacity, large capacity, people capacity, goods capacity. In my mind's eye, this is the random access transportation system of the future.

Sometimes when you give wide distribution to these pie in the sky ideas, even though they are not pie in the sky, people have a tendency to condemn them as such. Today, we are taking licence because you are here to think, and I humbly suggest that we are not doing an adequate job, unless we think on the scale and along the lines that I am trying to set before you. I would like to suggest that when we develop such a system that there will be a decrease in air transport. Certainly with distances up to 500 miles, there is no need for air transport. When you have a ground transit system where you can go from the Union Station of the future; that is Malton Airport incidentally; to downtown Montreal, then you will not need all these airplanes flying back and forth. You can take billions of dollars out of the air and put it into this new ground transit system. Then you can go from the Union Station or Malton Airport, out to an

airport which is out in the area that we do not need for human habitation. Then you have your rocket assisted take-off to any place 500 miles or more away. I suppose when we are talking about rocket assisted take-offs, we are talking about inter-continental traffic. Some day this ground transportation system may be so efficient that our system, which will pioneer the systems of the world, will connect into the system that connects the north-east corridor of the United States. In any case, think about it, talk to your children about it, and I think that we have the opportunity to move forward in this dramatic way.

I would like to talk about another planning concept which we call the structured megalopolis which is the present answer at least to urban sprawl. Most growth occurs on the periphery of a city. If we stop this sprawling in concentric circles, and we break it up into a multiplicity of cities, then we have what I call a structured megalopolis. If we develop these cities the way people want them to be, then we cut down the need for commuting. We are spending too much in transportation, too much in education, too much in inefficient welfare and we really have to change all our systems in order to get efficient so that we can do all the things and meet all the expectations of our people.

One of the things that we are concerned with today, is transportation and because we can move people further and faster, we keep getting more commuting. Everybody works in Oakville and lives in Scarborough sort of thing. If we build the right kind of cities this will be reduced dramatically.

You probably know I am heavily involved in Mississauga. We think that this is a prototype of a new kind of secondary city. Probably 75% of the people commute out of Mississauga each day. We are working for the day when only 25% of them do it. Because of our proximity to Toronto, there will always be this tendency to commute to this great central city; the central city of the province and the central city of the nation; because that is where a lot of the sophisticated jobs are. If we can have a city of 1,000,000 or 1,500,000 we could be pretty well integrated with our own shopping facilities, our own legitimate theatre, our own multiplicity of theatres, our own job opportunities, and this would cut the tendency to commuting.

The best way to save on transportation costs is to decrease the need but we keep spending more and more and more on highways and expressways and we are getting more and more people. A little story that I have often used is one where the chap has a factory in the City of Toronto and a warehouse in Oakville. Every morning he takes his truck into the warehouse and he loads his machinery on it, drives it down the Queen Elizabeth into Toronto, unloads it and uses it and then he takes it back at night, and this goes on five days a week. Now it sounds ludicrous but that is literally what we are doing with our most valuable production machinery - people.

In the process, we are emotionally exhausting them so that they become inadequate parents - you know the story - Dad comes home, fought his way in for an hour, stays late at work to get caught up and he has fought his way home at night. He gets home and his wife and children are around to greet him and

he says "Dear, would you mind taking the children away, while I have a martini, I am really exhausted, I am emotionally exhausted." You know the transportation system is doing that to him, and the urban system is doing that to him. If we structure our megalopolis so that we have a great central city of 4,000,000 to 5,000,000 people to support the head offices, to support the stock market, and then we have secondary cities, a string of pearls I suppose strung along this area that is currently developing in a sprawling manner and make these cities adequate for what the people want; sophisticated cities with a lot of selectivity, a lot of selectivity of shopping, social amenities, services, and job opportunities; then we cut down the need for commuting. So the structure of the megalopolis is very important.

I want to move on to another concept called land banking. We sure bank a lot of land. I think that we all must recognize that there is a great need to have large assemblies and large tracks of land assembled for development purposes. The farmer who only has 25 acres really does not plant many oak trees. He is too busy trying to get a crop out of it so he can live off it. But if the farmer has 5,000 acres, perhaps he can have some place for a hard wood bush. I liken the oak trees to the good things in development.

It is a very hurried pace of life we have and that is the way the small developer has to be. He gets a 25 acre development or a 5 acre development, or a 2 acre development,

and he has to get all there is out of it. But when you have a large assembly you can have the pride of ownership and the pride of purpose. It is much easier for the Government to regulate you to do things that are in the long term and best interests of the public. So we do have to have large assemblies.

Another factor is the holdout. If you do not have a large assembly and you have a bunch of little people and you have a few holdouts it becomes costly and it just is not economically efficient.

Let us consider whether this land must be in the hands of the Government, or hands of private enterprise. I would be the first to admit that in the areas of heaviest urbanization, that except through a stroke of good fortune, or perhaps a little insight, we would not have had the large assemblies we have. This is too big a chance to take. I believe that ultimately the Government, a responsible Government and I think that this is really at the Provincial level, must assemble large tracks of land. Once we create this master plan it will be prudent to work for the day when the Government will see that these lands are properly assembled at the most economic costs. When they do this, they will be able to organize themselves so that they can process it through the planning processes to utilization time. But short of that I would also say that there is nothing different that the Government can do than we who are the custodians of large tracks of land can do.

In our Company we do not need anything from any level of Government. All we have to do is get the overlapping and

conflicting authorities out of our way and let us go. We used to sell 88 foot building lots at $2,800 and now we are selling 50 foot lots at $18,000. We would be delighted to bring 2,000 acres to the market next year. If we could only get the administrative system that would allow us to go, we would create the supply that would balance demand. The price would drop away down. We would rush to do this and I know that many other developers would. Responsible developers, and large developers do not hold their product off the market. It is held off because the administrative systems are inadequate.

Furthermore, all you could save by having the Government do it would be the profit factor. We have a free money market economy and if the profits of the developers are really so excessive, anyone has an opportunity to participate. Our stock came out three years ago and the price is approximately the same today. If we are making all that kind of money, there must be a lot of fools on Bay Street. But you have an opportunity - do not go out and buy land; buy the stock of any of these Companies that have not yet had an opportunity to realize their profits. The reason is of course, they are holding this huge land bank and the cost of carrying this land bank is very large. Just by shifting it over to Government does not change the cost because even if Government has lower priced money or even if it absorbs it in the general budget, economically it still is expended.

I think the key to this question is the advanced servicing of areas. If the Government created a population trend line for ten year intervals, and then changed the administration so that they could service this area in advance of demand, the

bottom would drop out of the market and that is what should happen. In addition there should be Provincial loans to municipalities for schools, libraries, recreational facilities, roads, and public utilities. I would say that these are appropriate capital investments for Provincial Governments. Now the Government is a business basically. I look at it as a business and the profits that they would produce would be the tax revenue dollars. I suggest that only the parent company of this business, the Province, can afford to finance the rapidly growing subsidiaries, the municipalities.

There is one more subject I want to hit, and that is land speculation. It might upset you a little but, but the biggest speculators in the land are farmers. Of all the holdouts that we run into, I would say the ones that involve the most land are farmers. We would be fools to say that it is any different than it would be throughout humanity. Beneath everyone's heart in a free money market economy is the cash register. When the farmer is farming land for which we would be delighted to pay him $20,000 an acre then he is a holdout. When he is farming that land at $5,000 an acre or $2,000 an acre, he is still a holdout. And he is waiting for the day, the time in his life and family circumstances, when he can make the biggest killing and the unit will go.

In addition to the farmers, we have sheer speculators. These are fellows that look at development companies, find out where they are operating, come in and they buy up a piece of land and they sit there and in effect, blackmail us into the

highest price possible. I think the farmer is a good citizen, and a completely normal person. I think that this other speculator, the speculator I am talking about, is completely odious in our society. But it is part of the game and until we change the rules, I do not suppose we are going to condemn him bitterly. We are just going to say it is offensive to us.

The developer can be controlled. When you balance the law of supply and demand with his product then you can control the developer's price. We were selling those building lots I talked about at $18,000 each. We were selling them less than two years ago at $12,000 each. We could hardly find buyers and yet we were pushing down close to our costs. Today we have to provide school sites at bargain rates. We have to put in all the services. We have to go into the industrial development field to keep down its assessment. We have to underwrite the school systems so that if there is a short fall we come back and pick it up. We will be spending $1,500,000 in our current subdivision for social amenities. We have replaced the municipality and all of this goes into the price of our product, and it goes into the mortgage on the house.

I have some suggestions. I think that there should be taxes on land speculation - they should be related to servicing and to time factors. One half the price of servicing could come from taxes on pure speculation. These taxes would be payable at an increasing rate as the time of need approaches. This taxation is a kind of expropriation of an economic value which is created by urban expansion and public expenditures. This kind of decision is necessary in the public interest.

I would like to close with a few recommendations. First of all, we need a master land use plan for Canada providing for the settlement of 100,000,000 Canadians. We need a master land use plan for Ontario, providing for the settlement of a population of 40,000,000 Ontarians. We need an arrangement for the provincial financing of an ample supply of all growth oriented public facilities such as sewage facilities, schools, libraries, recreational facilities, and roads. The municipalities have not been designed to expand at the rate of 5 to 10% or higher per annum. They have been designed to operate facilities and perhaps to grow at 1, 2 or 3% per annum. The key is to have an adequate supply to meet all reasonable demands.

I am also saying, and I said earlier, that we must protect our agricultural lands, we must protect recreational lands, we must protect our resources, and we must provide for urban communities. To solve the land problem which is closest to our hearts today, in this urbanizing Toronto Centred Region, we must make sure that there is an adequate supply to meet all responsible demands.

We can do this by changing house forms and modifying life styles. Let us not forget an important principle "all forms of taxes should be removed from basic shelter units." As long as you keep taxes on basic shelter, you draw them beyond the use of the working people and they end up in strawberry boxes piled one on top of the other and change their life style. It is a price we cannot afford to pay for families with children.

A system of direct taxes levied against vendors of land within the population trend line area should be imposed so that approximately 50% of the cost of these new services would be derived from these unearned increments. We are not making a great deal of money or business profit in our company but the unearned increments are very large indeed. I am in effect saying that we know from the inside what the problem is and as long as everyone is treated the same, we are responsible enough to say let us change, because I am afraid we are going to lose this private enterprise system if we do not get sensible soon.

I suppose you could say all he wants to do is cut the price and give them away. Well, I am also the President of a public company and I do not think I have to play it by my own realistic rules. I say Government will set the rules and we will play the game. I say that the rules are not adequate in the public interest and let us do something about it.

The taxes should probably be in the nature of a capital gains tax graduated through a scale of the unearned increments. It is important that the tax be levied in a manner and under such circumstances that it cannot be passed on to the consuming public as another cost factor. When you put on a tax it goes into the price of the product and it is always the competition of the market place that determines what the yield is going to be for a particular industry. There is a lot of pure economic reasoning that we seem to have forgotten about.

We are under a tax system so compounding and confusing

that nobody understands it. It really does not do anything except jumble things up and confuse us and put the tax on the products that we consume. This has to be literally an assinine system in our sophisticated business community. I am not suggesting that all of a sudden we have one form of tax system. But, I think we have to get back to realizing what we are doing to what was an efficient producing nation.

In closing then, let us build a master plan for Ontario, let us be responsible enough to recognize how we must limit and control our own invested interests in our irreplaceable resource, our land.